

November 30, 2016

Bank of Japan

Bilateral Local Currency Swap Agreement with the Monetary Authority of Singapore

The Bank of Japan has signed a bilateral local currency swap agreement with the Monetary Authority of Singapore, effective as of November 30, 2016. This agreement is designed to enhance the financial stability of the two countries, allowing for the exchange of local currencies between the two central banks of up to SGD 15 billion or JPY 1.1 trillion. The effective period of the facility will be until November 29, 2019.

With the strengthening of economic and financial linkages between Japan and Singapore, Japanese financial institutions have been expanding their Singapore dollar-based businesses. By utilizing the swap agreement, the Bank of Japan would be prepared to provide liquidity in Singapore dollars, should Japanese financial institutions face unexpected difficulties in Singapore dollar settlements, and if the Bank judges the liquidity provision to be necessary for ensuring the stability of Japan's financial system.